

SENATE BILL 52 of the First Extraordinary Session
By Herron

AN ACT to amend Tennessee Code Annotated, Title 50 and 67,
relative to the creation of tax credits for employee health
care insurance coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The General Assembly finds that a substantial segment of working Tennesseans and their families do not have access to health care insurance through their employment. Such absence of health care coverage negatively impacts access to health care, especially preventative and routine care and thus negatively impacts the health of such citizens. Moreover, absence of such health care insurance places an increased financial burden on the state and the limited resources available for TennCare services for needy citizens. In order to support employers who promote availability of private healthcare insurance, the General Assembly finds it is appropriate to provide them with financial incentives.

SECTION 2. Tennessee Code Annotated, Section 67-4-808, is amended by adding the following as a new, appropriately designated subdivision:

() There shall be allowed a credit for any taxpayer against the tax imposed under this part for any income year in which such taxpayer makes health care insurance available to its full-time or part-time employees and their families. Such credit shall be in an amount equal to twenty-five percent (25%) of total expenditures paid or incurred by such taxpayer in such income year in providing such health care insurance. Provided, that the amount of tax credit allowed any taxpayer under the provisions of this section for

any taxable year may not exceed the lesser of twenty-five percent (25%) of the excise tax liability shown by any such return before the credit is taken or two hundred thousand dollars (\$200,000).

SECTION 3. Tennessee Code Annotated, Section 67-4-908, is amended by adding the following as a new appropriately designated subdivision

() There shall be allowed a credit for any taxpayer against the tax imposed under this part for any income year in which such taxpayer makes health care insurance available to its full-time or part-time employees and their families. Such credit shall be in an amount equal to twenty-five percent (25%) of total expenditures paid or incurred by such taxpayer in such income year in providing such health care insurance. Provided, that the amount of tax credit allowed any taxpayer under the provisions of this section for any taxable year may not exceed the lesser of twenty-five percent (25%) of the excise tax liability shown by any such return before the credit is taken or two hundred thousand dollars (\$200,000).

SECTION 4. The department of revenue shall promulgate any rules necessary to ensure the orderly implementation and administration of this section.

SECTION 5. For the purposes of promulgation of rules, this act shall take effect immediately, the public welfare requiring it.